

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF EQUITABLE RESOURCES,)	
INC. FOR AN ORDER AUTHORIZING THE)	
ISSUANCE OF COMMON STOCK HAVING A MARKET)	CASE NO. 95-340
VALUE OF APPROXIMATELY \$12,000,000)	

O R D E R

On August 7, 1995, Equitable Gas Company ("Equitable"), a division of Equitable Resources, Inc. ("Equitable Resources"), filed an application seeking authority to issue common stock which it represents has a present market value of approximately \$12,000,000. Equitable is subject to the jurisdiction of the Commission. However, as a division of Equitable Resources, it does not have a separate capital structure, and the securities are to be issued by Equitable Resources subject to the approval of this Commission.

The proposed stock is to be issued, without par value, to the shareholders of Conogen, Inc. The shareholders will receive \$2,000,000 of Equitable Resources' common stock, valued at \$29.25 for acquisition purposes, in payment for a 33-1/3 percent interest in Conogen, Inc. Equitable Resources will have an option to purchase the remaining 66-2/3 percent within 12 months at a price of not less than \$5,000,000 or more than \$10,000,000 payable wholly in Equitable Resources stock. In no case will the total value of the shares paid for 100 percent of the outstanding stock of Conogen, Inc. exceed \$12,000,000. No acquisition or construction

of any property or facilities within the Commonwealth of Kentucky is proposed.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that the issuance of the above securities by Equitable Resources is for lawful objects within the corporate purposes of Equitable Resources' utility operations, is necessary and appropriate for and consistent with the proper performance of its service to the public, and is reasonably necessary and appropriate for such purposes and should, therefore, be approved. In approving the issuance of stock to purchase Conogen, Inc., the Commission makes no determination herein regarding the merits of the purchase.

IT IS THEREFORE ORDERED that:

1. Equitable Resources be and it hereby is authorized to issue common stock to Conogen, Inc., which valued for acquisition purposes at \$29.25 per share, has a market value of \$12,000,000.

2. Equitable Resources shall agree only to such terms and prices that are consistent with the parameters set out in its application.

3. Equitable shall, within 30 days from the issuance authorized herein, file with this Commission a statement setting forth the date of issuance, as well as the date, actual or projected, of the completion of the purchase.

4. The proceeds from the transactions authorized herein shall be used only for the lawful purposes set out in the application.

Nothing contained herein shall be construed as a finding of value for any purpose or as a warranty on the part of the Commonwealth of Kentucky or any agency thereof as to the securities authorized herein.

Done at Frankfort, Kentucky, this 6th day of October, 1995.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director